

Notice of Allowability

Application No.

09/741,211

Applicant(s)

DINGMAN ET AL.

Examiner

Art Unit

C. Michelle Tarae

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to Amendment filed 3/21/06.
2. ☒ The allowed claim(s) is/are 1-37.
3. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some* c) ☐ None of the:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

* Certified copies not received: _____.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.

THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.

4. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
5. ☐ CORRECTED DRAWINGS (as "replacement sheets") must be submitted.
- (a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review (PTO-948) attached
- 1) ☐ hereto or 2) ☐ to Paper No./Mail Date _____.
- (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date _____.
- Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
6. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

Attachment(s)

1. ☒ Notice of References Cited (PTO-892)
2. ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3. ☐ Information Disclosure Statements (PTO-1449 or PTO/SB/08), Paper No./Mail Date _____
4. ☐ Examiner's Comment Regarding Requirement for Deposit of Biological Material
5. ☐ Notice of Informal Patent Application (PTO-152)
6. ☒ Interview Summary (PTO-413), Paper No./Mail Date 20060606.
7. ☐ Examiner's Amendment/Comment
8. ☒ Examiner's Statement of Reasons for Allowance
9. ☐ Other _____.

ALLOWANCE

1. The following is an Allowance in response to the Amendment received March 21, 2006. Claims 1, 13, 25 and 37 have been amended. Claims 1-37 are now pending in this application and are allowed below.

Reasons for Allowance

2. Claims 1-37 are allowed.

3. The following is an examiner's statement of reasons for allowance: None of the prior art of record, taken individually or in any combination, teach, *inter alia*, a method, system and computer for conducting collaborative due diligence exercises for underwriting assets, where the due diligence includes using knowledge obtained from prior due diligence exercises to value assets in a portfolio. Assets are valued individually within a first portion of the portfolio using predetermined criteria for analyzing an asset, the predetermined criteria obtained from prior due diligence exercises, the analysis determining a confidence factor associated with a determined purchase price for the asset. Assets are then valued collectively in a second portion of the portfolio by taking sample assets that represent non-sample assets. The value of the assets are then statistically inferred within a third portion of the portfolio using an iterative process that groups the assets in the third portion of the portfolio into clusters based on descriptive attributes of the assets, *the statistical inferring is based on the underwriting values and variances of the first and second portions of the portfolio, wherein the clustered assets include assets from the first portion of the portfolio having*

at least one of an original value that is larger than the original value of assets from the second and third portions of the portfolio, and a variance that is smaller than the variances of the assets from the second and third portions of the portfolio.

Pages 6-7 of the Specification, for example, discuss that when criteria is established for valuating an asset, that criteria is stored in a database for use in valuating other assets with similar criteria. Thus, *during underwriting*, predetermined or established criteria from previous underwriting sessions are used for creating asset valuations. Additionally, new knowledge, or criteria, may be created during an underwriting session for use in future underwriting sessions, thereby creating an iterative learning of valuating assets.

Examiner notes that the allowable subject matter is similar to that of related application, now U.S. Patent No. 7,028,005.

The prior art most closely resembling Applicant's claimed invention are as follows: Marpe et al. (U.S. 6,671,693) and Hartnett (U.S. 6,112,188).

Marpe et al. teaches collaboration on due diligence exercises by accessing stored knowledge from past due diligence exercises to conduct a current due diligence exercise and storing newly developed knowledge from the current due diligence exercise. Marpe et al. also teaches accumulating knowledge and proven practices for underwriting. However, Marpe et al. does not disclose the level of detail of underwriting

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as required by the independent claims of the present invention as discussed above including valuating assets in three portions of a portfolio using statistical inferring, *the statistical inferring is based on the underwriting values and variances of the first and second portions of the portfolio, wherein the clustered assets include assets from the first portion of the portfolio having at least one of an original value that is larger than the original value of assets from the second and third portions of the portfolio, and a variance that is smaller than the variances of the assets from the second and third portions of the portfolio.*

Hartnett teaches valuating assets in a portfolio and categorizing the assets by an asset type. However, Hartnett does not disclose the level of detail of underwriting as required by the independent claims of the present invention as discussed above including valuating assets in three portions of a portfolio using statistical inferring, *the statistical inferring is based on the underwriting values and variances of the first and second portions of the portfolio, wherein the clustered assets include assets from the first portion of the portfolio having at least one of an original value that is larger than the original value of assets from the second and third portions of the portfolio, and a variance that is smaller than the variances of the assets from the second and third portions of the portfolio.*

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably

accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Conclusion

4. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Graff (U.S. 6,192,347) discusses a system and method for decomposing property into separately valued components;
- Glasserman et al. (U.S. 6,381,586) discusses a method for pricing options using importance sampling;
- Bukowsky et al. (U.S. 5,934,674) discusses a system for valuating assets in a portfolio;
- Freeman et al. (U.S. 6,249,775) discusses a method for loan portfolio management;
- Takubo et al. (JP 05120297 A) discusses analyzing asset groups by considering the price variation of the assets;
- Staking et al. "The relation between capital structure, interest rate sensitivity, and market value in the property-liability insurance industry," *Journal of Risk and Insurance*, Dec 1995 [retrieved from Dialog] discusses valuating portfolios of assets for underwriting and risk assessment in the property-liability insurance industry;

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- Howard, Lisa S. "NAIC Considers Risk Based Capital Requirements," *National Underwriter*, Sep 17, 1990 [retrieved from Proquest] discusses the National Association of Insurance Commissioners developing new ways to assess risk including asset risk and underwriting risk and variations in the market value of common stocks; and
- Downes, John. *Dictionary of Finance and Investment Terms*, Fifth Edition, copyright 1998, discusses underwriting as it relations to insurance and investments.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to C. Michelle Tarae (formerly, C. Michelle Colon) whose telephone number is 571-272-6727. The examiner can normally be reached Monday – Friday from 8:30am to 5:30pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tariq Hafiz, can be reached at 571-272-6729.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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A handwritten signature in black ink, appearing to read "C. Michelle Tarae". The signature is fluid and cursive, with a large initial "C" and a long, sweeping underline.

C. Michelle Tarae
Patent Examiner
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June 6, 2006